

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JEREMY ) APPEAL NO. 07-A-2413  
DAVIES from the decision of the Board of ) FINAL DECISION  
Equalization of Butte County for tax year 2007. ) AND ORDER

**AGRICULTURAL PROPERTY APPEAL**

THIS MATTER came on for hearing November 27, 2007 in Arco, Idaho before Board Member David E. Kinghorn. Board Members Lyle R. Cobbs and Linda S. Pike participated in this decision. Appellant Jeremy Davies appeared. Assessor Laurie Gamett and Prosecuting Attorney Steve Stephens appeared for Respondent Butte County. This appeal is taken from a decision of the Butte County Board of Equalization denying an agriculture exemption for property described as Parcel No. RP04N26E214805A.

**The issue on appeal is whether subject land property qualifies for an exemption from property taxes pursuant to Idaho Code § 63-604.**

**The decision of the Butte County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$30,620 under the market value standard. Appellant requests the land be granted an agricultural exemption and therefore assessed at \$13,800.

The subject property is 39 acres consisting of dry pasture situated in Butte County, Idaho.

Appellant stated the subject land was leased for \$1.00 per year to a lessee to pasture animals and therefore should be granted an agricultural exemption under Idaho Code § 63-604. Appellant submitted a lease which was not dated or signed by the lessee. The Taxpayer also testified there was a verbal agreement made with the rancher for prior years.

At hearing Appellant submitted a second lease between Appellant and a bona fide rancher. The agreement was signed in August 2007 by Appellant as the lessor and by the

rancher as the lessee. The lease provided for the tenant to occupy and use subject for pasture purposes until the pasture value is gone. The record was not clear as to whether cattle are currently on the subject property.

The County acknowledged an Agricultural Eligibility Determination Form was filed by the Taxpayer. A written lease was attached to the form, however, was not signed nor was it dated. The County believed subject property was used for grazing horses.

The County maintained the lease provided at hearing looked as if it would meet the qualifications for an agricultural land exemption in 2008.

The County asserted the record was unclear as to the use of subject property and therefore the agricultural exemption was denied. Respondent argued it lacked sufficient information to grant the agricultural exemption for 2007.

Respondent stated as of January 1, 2007, the subject land was not being used as land actively devoted to agriculture and therefore it was assessed at market value.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value or exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The issue on appeal is whether subject land qualifies for an agricultural exemption. Idaho Code provides in pertinent part:

Idaho Code § 63-604. Land actively devoted to agriculture defined.

(1) For property tax purposes, land which is actively devoted to agricultural shall be eligible for appraisal, assessment and taxation as agricultural property each year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture which means:

. . .

(iii) It is used by the owner for the grazing of livestock to be sold as part of a for-profit enterprise, or is leased by the owner to a bona fide lessee for grazing purposes.

The first lease submitted by Appellant was not signed or dated. It was believed to be used for horses. A second lease agreement between Appellant and a bona fide rancher was dated August 9, 2007, and submitted into evidence. The agreement provided subject be used for pasture purposes. Appellant contended the above factors should qualify subject for an agricultural exemption for 2007.

Respondent received the Agricultural Eligibility Determination Form with a lease attached. However, not enough information or evidence was submitted to verify subject was being used for grazing or being used by a bona fide lessee. Therefore, Respondent denied the subject land an agricultural exemption.

In determining market value for tax assessments Idaho Code § 63-205(1) states:

All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day in the year in which such property taxes are levied, except as otherwise provided.

Idaho Code §63-205 mandates property be assessed based on its status on January 1 of each tax year. For 2007, this assessment date was January 1, 2007. The key question here was subject's use on or leading up to January 1, 2007.

It is clear from both parties' evidence, subject was not being used as agricultural land on the assessment and lien date, nor was there any evidence in the record of grazing in 2006. Thus the land does not qualify for exemption under Idaho Code § 63-604. The grazing use in 2007

would be pertinent in considering an agricultural exemption for the 2008 tax year.

Therefore the decision of the Butte County Board of Equalization denying exemption is affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Butte County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED APRIL 30, 2008